# Council Report Backs

<table>
<thead>
<tr>
<th>Number</th>
<th>Question</th>
<th>Council Member</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>How much would the City reduce in wages if a shorter work week was implemented for all non-public safety employees? 32 hours/35 Hours/37.5 Hours</td>
<td>Jensen</td>
<td>2</td>
</tr>
<tr>
<td>2</td>
<td>Who is included in the 5% reduction for unrepresented employees? What is the amount of wages that would be reduced? If the wage reduction was restricted to high level management, what would be the size of the wage reduction? What would be the wage reductions if there was a 10% reduction in pay?</td>
<td>Jensen/Montelongo</td>
<td>4</td>
</tr>
<tr>
<td>3</td>
<td>What is the amount of wage reduction with a furlough?</td>
<td>Jensen</td>
<td>5</td>
</tr>
<tr>
<td>4</td>
<td>How much would a total wage freeze with and without the 5% reduction generate?</td>
<td>Jensen</td>
<td>6</td>
</tr>
<tr>
<td>5</td>
<td>What is the potential for using an IMRF early retirement incentive (ERI)? How many employees are eligible and what are the program requirements? Could the City resurrect the voluntary separation initiative (VSI) again for all employees?</td>
<td>Jensen</td>
<td>7</td>
</tr>
<tr>
<td>6</td>
<td>What do the resident officer crime stats look like? Where would the Police Department make reductions to staffing</td>
<td>Moore</td>
<td>9</td>
</tr>
<tr>
<td>7</td>
<td>What information did the City receive on short-term financing?</td>
<td>Council</td>
<td>11</td>
</tr>
<tr>
<td>8</td>
<td>What are the historic travel time comparisons for the Fire Department by Station?</td>
<td>Council</td>
<td>12</td>
</tr>
</tbody>
</table>
**Question 1**
How much would the City reduce in wages if a shorter work week was implemented for all non-public safety employees? 32 hours/35 Hours/37.5 Hours?

<table>
<thead>
<tr>
<th>Question From</th>
<th>Answer From</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jensen</td>
<td>Finance/City Manager</td>
</tr>
</tbody>
</table>

Total full-time salaries (excluding temp positions) total $52,941,217 for 664 positions. The breakout of full time salaries looks like this:

- **Police**, $20.74
- **Fire**, $16.48
- **CD**, $2.26
- **ECC**, $1.95
- **Back Office**, $4.95
- **PW**, $6.56

The total salaries for public safety personnel are $19.7 million for Police and $16.2 million for Fire. So adjustments to their office staff would have a minimal effect upon their budgets. A 32-hour workweek would assume a 4 day workweek. All unrepresented employees would receive a 20% pay/hour reduction and, assuming successful labor negotiations, AFSCSME and the Crafts and Building Trades and Electricians would as well. The reduction would total $3.42 million, or 6.4% of all wages.
A 35-hour workweek would assume a one less hour worked per day. All unrepresented employees would receive a 12.5% pay/hour reduction and, assuming successful labor negotiations, AFSCSME and the Crafts and Building Trades and Electricians would as well. The reduction would total $2.14 million or 4.0% of all wages.

A 37.5-hour workweek would assume a one less half hour worked per day. All unrepresented employees would receive a 6.25% pay/hour reduction and, assuming successful labor negotiations, AFSCSME and the Crafts and Building Trades and Electricians would as well. The reduction would total $1.07 million, or 2.0% of all wages.

A 20% reduction in hours worked will impact service delivery. Less work will get done – fewer code enforcement actions, fewer potholes repaired, fewer hours to maintain infrastructure. The reduction of hours would likely see staff leave the organization voluntarily. As seen in the chart, the reductions here do nothing to address the area where the City is facing the largest cost increases – public safety costs.
<table>
<thead>
<tr>
<th>Question 2</th>
<th>Question From Jensen/Montelongo</th>
<th>Answer From Finance/City Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>Who is included in the 5% reduction for unrepresented employees? What is the amount of wages that would be reduced? If the wage reduction was restricted to high level management, what would be the size of the wage reduction? What would be the wage reductions if there was a 10% reduction in pay?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The unrepresented employees total 86 number of employees with a total payroll of $8,028,955. The high-level management total 27 number of employees with a total payroll of $3,582,819. A 5% reduction in unrepresented employees pay would be $401,448 and if restricted to high level management, it would be $179,141. If the wage reduction was 10%, the total wage reduction would be $802,896.
<table>
<thead>
<tr>
<th>Question 3</th>
<th>Question From</th>
<th>Answer From</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is the amount of the wage reduction with a furlough?</td>
<td>Jensen</td>
<td>Finance/ City Manager</td>
</tr>
</tbody>
</table>

A one-day furlough would be $276,966 across all employees (0.4%). This would have to be negotiated with unions. Further, the Fire Department work day is 24 hours. So a furlough would actually be a 3 day furlough for fire. To equalize a furlough, all 40-hour staff would have to take a 3-day furlough, and the 24/48 fire staff would have to take one furlough day. The 3-day/1-day furlough would be $572,659 across all employees (1.2%).
Question 4
How much would a total wage freeze with and without the 5% reduction generate?

Answer From
Finance/
City Manager

A total wage freeze in 2021 would generate $1,058,824 without the unrepresented 5% wage freeze and $1,050,795 with the 5% wage freeze.
Question 5
What is the potential for using an IMRF early retirement incentive (ERI)? How many employees are eligible and what are the program requirements? Could the City resurrect the voluntary separation initiative (VSI) again for all employees?

<table>
<thead>
<tr>
<th>Question From</th>
<th>Answer From</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jensen</td>
<td>Finance/ Human Resources</td>
</tr>
</tbody>
</table>

Illinois Municipal Retirement Fund (IMRF) Early Retirement Incentive

IMRF’s Early Retirement Incentive (ERI) is an employer option that allows eligible members to purchase up to five years of service credit at retirement. For each month and/or year of service credit a member purchases, the member’s retirement age is increased accordingly.

The ERI is a tool eligible IMRF employers can use, if and when they need it, to save fringe benefits and payroll costs by providing an incentive for long-term members to retire. Employers are encouraged to either:

- Replace no more than 80% of members electing to retire under the program, or
- Reduce replacement staff salaries to no more than 80% of current salary levels.

Employers are limited to offering ERI programs once every five years. (The City last offered an ERI in 2012).

Eligible Members

To be eligible to retire under the IMRF ERI:

- Your employer must adopt the program
- Your date of retirement should be your date of termination
- You must be participating in IMRF on the effective date of your employer’s ERI program. You would still be considered participating in IMRF if you are on layoff status with right of re-employment, on IMRF Benefit Protection Leave of Absence, or receiving IMRF disability benefits for less than two years.
- You must be at least age 50 and have at least 20 years of service credit by your date of retirement.
  - The 20 years of service credit can include reciprocal retirement system service credit
  - The 20 years of service credit can include service with another IMRF employer.
  - The 20 years of service credit cannot include unused, unpaid sick leave.

Your date of retirement must be no later than 12 months from the effective date of your employer’s ERI program.

Currently, the City has approximately 54 individuals who would qualify to participate in the ERI depending when the program would be adopted.
**Voluntary Separation Incentive (VSI)**

In 2018 the City of Peoria adopted a 2018 Voluntary Separation Incentive (VSI) Plan for eligible employees. Participation in the plan is strictly voluntary. The 2018 VSI was offered only to full time permanent employees who are covered by a collective bargaining agreement with the IAFF or PPBA, whom are vested in their respective retirement plan. The City offered $25,000 toward health insurance premiums for the City sponsored health plan chargeable at the same rates being assessed to retired employees, beginning at the time of separation until the funds are exhausted.

The City could offer a similar plan for all full-time permanent City employees who are vested in their respective retirement plan.
At last week’s City Council meeting, Councilwoman Moore asked what impact the Resident Officer program has had to the neighborhood where they are located. The Crime Analyst ran data around the Resident Officer locations (3 block radius).

While the data shows a decrease in major crimes (arson, assault, battery, aggravated battery, robbery, burglary, theft, sexual assault, homicide, weapon offenses) and 2 of the 4 had a decrease in calls for service (citizens calling for service), there are certain things that are not measurable, ie. relationships built, enhanced trust between the community and the police, etc. Here is a breakdown of the stats:

<table>
<thead>
<tr>
<th>Address (start date)</th>
<th>Major Crimes</th>
<th>Calls for Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>520 W. Armstrong (7/28/13)</td>
<td>-38%</td>
<td>-8%</td>
</tr>
<tr>
<td>1819 N. Wisconsin (10/27/13)</td>
<td>-22%</td>
<td>4%</td>
</tr>
<tr>
<td>1916 W. Kettelle (6/29/14)</td>
<td>-8%</td>
<td>-26%</td>
</tr>
<tr>
<td>220 W. Republic (9/1/16)</td>
<td>-20%</td>
<td>0%</td>
</tr>
<tr>
<td>1011 N.E. Madison (mid-May 2020)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The Resident Officer Program serves a great purpose, however, Police Command is concerned about the impact it would have on the Department and its ability to provide the basic services to the public if we are reduced in staff by 28 commissioned positions.

The main priority of the police department is to respond to calls for service. We must have at least 92 positions to staff Patrol. With 28 commissioned positions eliminated, authorized strength would be reduced from 229 to 201. With that, every Unit/ Division will be impacted. Units such as Traffic and Crime Scene and Divisions such as CID and SID would experience additional reductions. Most of those Units/ Divisions are already short staffed since we are at 213 with 13 officers in the Police Academy or Field Training Program. The plan was to start filling vacancies in specialized units once the Recruits completed training.

If reduced by 28 commissioned positions ($1.84 million), Police Command would look at reducing/ eliminating the following positions/ job assignments:

- Eliminate 1 Intel Officer position in SID (1)
- Eliminate 2 Narcotics Investigators positions (2)
- Combine Liquor and Asset Forfeiture in SID (1)
- Not fill 4 vacant Street Crimes positions plus eliminate 1 position (5)
- Eliminate 2 Traffic Unit positions (2)
- Eliminate the Community Policing Sgt. position (1)
- Eliminate the Administrative Sgt position (CALEA, Explorers) (1)
- Eliminate the Resident Officer Program (5)
- Eliminate Neighborhood Services Sgt/ Ofc positions (2)
- Not fill the vacant Property Crimes position and reduce it by an additional position (2)
- Not fill the vacant Violent Crimes position and reduce it by an additional position (2)
• Eliminate a Juvenile Detective position (1)
• Eliminate a Fraud Detective position (1)
• Eliminate the Cadet Program (equivalent to 2 officer positions) (2)
• Eliminate the vacant Admin III position.
Question 7  
What information did the City receive on short-term financing?  

<table>
<thead>
<tr>
<th>Question From Council</th>
<th>Answer From Finance</th>
</tr>
</thead>
</table>

As part of the Budget Restructuring due to the COVID 19 pandemic, City staff and our financial advisors, Speer Financial, prepared and sent a Request for Proposal (RFP) for a line of credit that the City could draw upon should cash be depleted. The RFP was sent to 40 FDIC insured banking institutions. All responses were due to the City Thursday, April 30 by 5 pm. The City received proposals from Regions Bank and PNC Bank. Both proposals provided for a line of credit of $20,000,000 for a 2 year period (24 month) from date of closing on the line of credit. Each proposal requires the City to move their primary operating accounts to their respective banks. The proposal also requires the City pay a commitment fee based on the average daily undrawn amount under the line of credit and a facility fee at closing.

The City received the following responses declining to propose:

**Commerce Bank:**

Commerce Bank appreciates the opportunity to consider your recent solicitation for proposal for a revolving line of credit to address potential operating liquidity shortfalls that may arise from the economic impacts of the COVID-19 pandemic.

After careful analysis, Commerce has decided not to offer a credit proposal at this time. Factors that influenced this decision include:

- The City’s record of losses over the previous 5-year period reviewed, along with the protracted availability of audited financial statements (9 months after year-end).
- Persistent negative equity position
- The unknown, but certain, level of decline in City revenue from HRA Tax, Sales Tax, and Gaming Revenue will negatively impact ability to service debt for an unknown duration.

**Morton Community Bank:**

I’m not going to be able to get to a position where I could lead an effort for a larger credit line. I don’t think I can gain the support needed from my committee at this time. I do think if a community bank effort was organized and we found sufficient participation that we could find a place within such a group and make every effort to support the City. If you find support for that type of participation please don’t hesitate to forward my contact information and have them reach out to me.

**INB N.A.:**

We have reviewed the RFP and have completed conference calls with Bond Counsel as well as a Trust company specializing in Municipal Lending. Ultimately, we ran into issues bidding on the proposal. In particular, the size of the loan and finding participants.

**Chase Bank** and **Wells Fargo** contacted our financial advisors and let them know that they wanted to bid, but they were not allowed to because the bank’s resources were being tied up with the PPP loans.
<table>
<thead>
<tr>
<th>Question 8</th>
<th>Question From Council</th>
<th>Answer From Fire</th>
</tr>
</thead>
<tbody>
<tr>
<td>What are the historic travel time comparisons for the Fire Department by Station?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The attached file includes the historic travel times by each station for the Fire Department from 2017-2019.